

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 10, 2009

Bill Number: S.B. 332

Author: Leventis

Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend Sections 6-1-530 and 6-1-730, both as amended, of the Code of Laws of South Carolina, 1976, relating to uses allowed for the revenue of the local accommodations and local hospitality tax, so as to increase from twenty to fifty percent, in counties in which less than nine hundred thousand dollars in state accommodations tax is collected annually, the amount of the revenue of the local taxes that may be used for operations and maintenance.

REVENUE IMPACT ^{1/}

This bill would is not expected to impact General Fund revenue in FY2009-10.

Explanation

This bill would amend Sections 6-1-530 and 6-1-730 to allow counties that collect less than \$900,000 in state accommodation taxes to increase tourism-related expenditures from twenty percent to fifty percent of the revenues collected in the previous fiscal year from the local accommodations taxes and the local hospitality taxes. According to the Department of Revenue, six counties collected more than \$900,000 in state accommodations taxes in FY2007-08. These include Beaufort, Charleston, Georgetown, Greenville, Horry, and Richland counties. The remaining forty counties collected less than \$900,000 in state accommodations taxes in FY2007-08. The Office of Research and Statistics reports in the "Local Government Finance Report" that counties and municipalities collected \$43,014,371 from the local accommodations tax and \$127,097,606 from the local hospitality tax in FY2006-07. This bill would allow counties and municipalities to expend up to fifty percent, or \$85,055,988, on local tourism-related projects in their communities. Because this bill would allow local authorities to decide how to allocate locally-generated tax revenue, it is not expected to impact state General Fund revenue in FY2009-10.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.